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EXAMINER

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1 UNITED STATES PATENT AND TRADEMARK OFFICE

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4 BEFORE THE BOARD OF PATENT APPEALS
5 AND INTERFERENCES
6

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8 *Ex parte* DAVID W. CUNNINGHAM, JOHN M. HARDEN,
9 WILLIAM N. ENGLE, and CHARLES W. REUBEN
10

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12 Appeal 2009-005222
13 Application 10/098,700
14 Technology Center 3600
15

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17 Decided: June 21, 2010
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20 Before MURRIEL E. CRAWFORD, HUBERT C. LORIN, and
21 ANTON W. FETTING, *Administrative Patent Judges*.
22 FETTING, *Administrative Patent Judge*.
23

24
25 DECISION ON APPEAL

STATEMENT OF THE CASE

David W. Cunningham, John M. Harden, William N. Engle, and Charles W. Reuben (Appellants) seek review under 35 U.S.C. § 134 (2002) of a final rejection of claims 15-19, 54-55, and 64-72, the only claims pending in the application on appeal.

We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b) (2002).

SUMMARY OF DECISION¹

We AFFIRM.

THE INVENTION

The Appellants invented a method of dispensing, tracking, and managing pharmaceutical products by communicatively linking prescribers and pharmacies to a central computing station in such a manner that variable values may be provided to different individuals based on selected variables such as location and/or volume purchased (Specification 1:11-15).

An understanding of the invention can be derived from a reading of exemplary claim 15, which is reproduced below [bracketed matter and some paragraphing added].

¹ Our decision will make reference to the Appellants’ Appeal Brief (“App. Br.,” filed July 23, 2007) and Reply Brief (“Reply Br.,” filed January 16, 2008), and the Examiner’s Answer (“Ans.,” mailed November 16, 2007), and Final Rejection (“Final Rej.,” mailed February 23, 2007).

1 15. A method of promoting goods and services, comprising:

2 [1] issuing media in which each medium has at least one

3 good or service associated therewith;

4 [2] identifying each medium with an identifier and recording

5 the identifier in a database such that the at least one good or

6 service associated with each medium can be determined;

7 [3] assigning an inactive status to the media such that while

8 assuming the inactive status the goods or services associated

9 with the medium may not be redeemed;

10 [4] recording the inactive status in a database;

11 [5] activating at least some of the media by changing the

12 status of the media from an inactive state to an active state and

13 recording the change of the status in the database;

14 [6] varying the value of at least some of the media such that

15 the value of the media varies according to selected conditions;

16 and

17 [7] distributing the media to holders wherein the holders

18 present the media to providers that deliver the goods or services

19 associated with the presented media to the holders.

21 THE REJECTIONS

22 The Examiner relies upon the following prior art:

Deaton et al.	US 5,644,723	Jul. 1, 1997
Cunningham	US 5,832,449	Nov. 3, 1998

23
24 Claims 15-19, 54-55, and 64-72 stand rejected under 35 U.S.C. § 102(e)
25 as being anticipated by Deaton.

26 Claims 15-19, 54-55, and 64-72 stand provisionally rejected under the
27 doctrine of obviousness-type double patenting.

ISSUES

The issue of whether the Examiner erred in rejecting claims 15-19, 54-55, and 64-72 under 35 U.S.C. § 102(e) as anticipated by Deaton turns on whether Deaton describes assigning an inactive status to the media.

The issue of whether the Examiner erred in rejecting claims 15-19, 54-55, and 64-72 under the doctrine of obviousness-type double patenting turns on whether Deaton describes varying the value of the media based on the manner of activation, the location of the provider, or the identity of the holder or provider.

FACTS PERTINENT TO THE ISSUES

The following enumerated Findings of Fact (FF) are believed to be supported by a preponderance of the evidence.

Facts Related to the Prior Art

Deaton

01. Deaton is directed to a method and system for processing and developing a customer database for customer information, such as credit verification status and transaction frequency and dollar volume over specified intervals, that can be used for credit verification, targeted customer marketing and other customer relations purposes (Deaton 1:35-43).

02. Deaton describes a transaction processing system that reduces the requirements for customer identification, adopts a risk management approach to credit verification based on a customer's transaction history, and improves the store's marketing by

1 collecting current and historical transaction data (Deaton 4:34-47).
2 The customer's financial instrument account number (check,
3 credit card, debit card, or the like) is the unique customer
4 identification number (Deaton 4:44-47). The system operates at
5 an individual store and maintains a local customer database of
6 customer records for that store (Deaton 4:52-55). The customer
7 records include verification data and transactional data (Deaton
8 4:55-60). A transaction processor processes a customer
9 information request using the customer identification number to
10 search the customer database and returns an appropriate
11 verification response and a targeted marketing response based on
12 the customer records (Deaton 5:1-8).

13 03. A verify function is used to provide verification status for
14 transactions and to update transactional data in the customer
15 database (Deaton 26:33-36). A verification status can be positive,
16 negative, or caution (Deaton 26:33-36). For multiple-store
17 systems, a global update function is used to coordinate the
18 exchange of certain customer information among the individual
19 stores (Deaton 30:63-65). The host system receives selected
20 customer records and negative status records from each remote
21 system, updates its customer database, and then transmits globally
22 updated records back to each of the remote systems (Deaton 31:1-
23 4). For remote negative status records, the host retrieves or
24 creates a corresponding host record and sets host status as active
25 or inactive (Deaton 31:63-67 and Fig. 6A).

1 04. The targeted marketing of individual customers is based on the
2 customer's shopping history (Deaton 7:12-14 and Deaton 70:8-
3 27). The system induces the shopper to return based upon
4 preselected criteria (Deaton 70:29-39). Coupons or other
5 incentives are awarded to shoppers such that substantial rewards
6 may be given to an infrequent shopper while less substantial
7 rewards are given to a more frequent shopper (Deaton 7:14-20 and
8 105:23-45). Coupons bearing the desired information are printed
9 at the point of sale and the coupons are related to a particular type
10 of product just purchased by the consumer (Deaton 70:17-23).
11 Based on the customer's shopping history, the system varies the
12 types of incentives provided by the system (Deaton 7:23-25).
13 Coupons or incentives to purchase certain products may also be
14 based on other variables, such as seasonality or holidays (Deaton
15 105:46-60).

16 *Cunningham (5,832,449)*

17 05. 1. A method of dispensing, tracking, and managing
18 pharmaceutical trial products utilizing prescribers, pharmacies,
19 and a central computing station, comprising the steps of:
20 a) forming a series of product trial cards by encoding on a
21 respective product trial cards information that identifies a
22 particular pharmaceutical trail product;
23 b) issuing the product trial cards to participating prescribers;
24 c) activating the product trial cards after issuance to
25 prescribers by the prescribers communicatively linking the

1 product trial cards to the central computing station and
2 wherein activation is established by the central computing
3 station verifying the authenticity of the product trial cards,
4 recording selected information encoded on the product trial
5 cards in a database associated with the central computing
6 station, and finally approving activation;

7 d) transferring a respective activated product trial card from a
8 prescriber to a patient;

9 e) the patient in turn presenting the activated product trial card
10 to a participating pharmacy;

11 f) validating the activated product trial card at the pharmacy
12 by the pharmacy communicatively linking the presented
13 product trial card with the central computing station and
14 verifying that the presented product trial card has in fact
15 been activated and not previously validated;

16 g) after validating the presented product trial card, the
17 pharmacy then dispensing the approved pharmaceutical trial
18 product to the patient; and

19 h) periodically accounting to the participating pharmacies for
20 pharmaceutical trial product dispensed in accordance with
21 the records of the database associated with the central
22 computing system.

23 (Cunningham, Claim 1, 12:27-61)
24

ANALYSIS

*Claims 15-19, 54-55, and 64-72 rejected under 35 U.S.C. § 102(e) as
being anticipated by Deaton*

The Appellants first contend that Deaton fails to describe limitations [3] - [5] of claims 15 and 66 because Deaton fails to describe assigning of an inactive status to the media (App. Br. 5-7 and Reply Br. 4-5). The Examiner responds that in construing Deaton, the media is a coupon or incentive distributed to a customer and further acknowledges that Deaton merely describes assigning a status to a customer record; however, the Examiner argues that if a customer's account status is inactive, the media (coupons or incentives) will also be inactive and unusable (Ans. 11).

We disagree with the Examiner. First, limitation [3] requires assigning an inactive status *to the media*, where goods or services associated with the medium cannot be redeemed. Limitation [4] requires storing the inactive status in a database and limitation [5] requires changing the status from inactive to active. As such, the inactive status must be assigned to the media itself.

Deaton describes a transaction processing system that utilizes a customer's account number to process transactions (FF 02). In processing transactions, a customer's account is verified (FF 02). Based on previous transactions, a customer's account may have a positive, negative, or cautious status associated to it (FF 03). In updating multiple systems, if a negative status is received by a host system from a remote system, the host system creates a host record and sets the host record status to active or inactive (FF 03).

1 Deaton fails to describe assigning an inactive status to the media itself.

2 As noted *supra*, limitation [3] explicitly requires an inactive status to the

3 media, not to an account for which the media can be applied towards. As

4 such, the Examiner's finding is not correct because the claims explicitly

5 require the status to be associated directly to the media, not indirectly.

6 Furthermore, Deaton fails to describe limitations [4] and [5] as these

7 limitations functionally integrate the inactive status limitation in to other

8 requirements. Since Deaton fails to describe this limitation, Deaton fails to

9 anticipate claims 15 and 66.

10 The Examiner further found that in Deaton the coupons or incentives

11 (media) are considered functionally inactive until activated by handing the

12 coupon to a specific customer (Ans. 12). We find this incorrect. Deaton

13 explicitly describes that coupons or incentives are printed at the point of sale

14 and these coupons are based on items that have just been purchased by the

15 customer (FF 04). That is, the coupons are not in existence until a customer

16 has completed a purchase and is issued a related coupon or incentive.

17 Therefore, the coupons or incentives do not have any status, much less an

18 inactive status, prior to issuance to a customer since they are not in existence

19 prior to the point of sale.

20 Claims 16-19, 54-55, 64-65, and 67-72 depend from claims 15 and 66

21 and therefore incorporate this limitation. As such, Deaton fails to anticipate

22 these claims as well. Since this issue is dispositive as to the anticipation

23 rejections against these claims, we need not reach the remaining arguments

24 raised by the Appellants against these rejections.

1 The Examiner erred in rejecting claims 15-19, 54-55, and 64-72 under
2 35 U.S.C. § 102(e) as being anticipated by Deaton.

3 *Claims 15-19, 54-55, and 64-72 provisionally rejected under the*
4 *doctrine of obviousness-type double patenting*

5 The Appellants first contend that (1) the ‘449 patent and Deaton fail to
6 describe limitation [6] of claims 15 and 66 (App. Br. 14-15 and Reply Br. 5-
7 6). The Appellants further contend that the ‘449 patent and Deaton fail to
8 describe claims 16 and 67 (App. Br. 14 and Reply Br. 5-6). The Appellants
9 also argue that the Examiner failed to properly construe the term “varying
10 value” (App. Br. 16-20 and Reply Br. 5-6). We disagree with the
11 Appellants. First, the Examiner has not relied on the ‘449 patent to describe
12 limitation [6] or claims 16 and 67. Therefore this argument is not found
13 persuasive because the Appellants are responding to the rejection by
14 attacking the references separately, even though the rejection is based on the
15 combined teachings of the references. Nonobviousness cannot be
16 established by attacking the references individually when the rejection is
17 predicated upon a combination of prior art disclosures. *See In re Merck &*
18 *Co. Inc.*, 800 F.2d 1091, 1097 (Fed. Cir. 1986).

19 Limitation [6] requires varying the value of the media based on selected
20 conditions. Claims 16 and 67 further narrow this limitation to require
21 varying the value of the media to be based on the manner of activation, the
22 location of the provider, or the identity of the holder or provider. As such,
23 under the broadest reasonable interpretation, the limitation “varying the
24 value” requires any type of variation in the value of the issued media and
25 such a construction is consistent with the specification and the claims.

1 This is the same ordinary meaning of the term provided by the Appellants
2 (Reply Br. 3).

3 Deaton describes monitoring and tracking customer transactions in order
4 to perform targeted marketing to individual customers (FF 02). Customers
5 are induced to purchase certain products, a certain amount of products, or a
6 certain amount of products over a certain period of time based on
7 preselected criteria (FF 04). The type or value of the coupon is based on the
8 customer's current or historical transactions (FF 04). That is, coupons or
9 incentives distributed to customers are varied based on selected criteria such
10 as current or historical purchases. Additionally, the value of the coupon or
11 media is based on the identity of the holder since the customer is the holder
12 of the coupon and the value is based on the customer's current or historical
13 purchases. As such, Deaton describes these limitations as properly
14 construed.

15 The Appellants further contend that (2) there is no motivation to
16 combine Deaton and the '449 patent (App. Br. 15-16 and Reply Br. 6). We
17 disagree with the Appellants. The '449 patent is concerned with the
18 management of pharmaceutical products issued to consumers (FF 05).
19 Deaton is also concerned with the management of products, in the form of
20 coupons and incentives, that are marketed to consumers (FF 02). Deaton
21 addresses this concern by providing a system that utilizes a customer's
22 current and historical purchase history to determine what type of coupon and
23 varying the value of that coupon to be issued to the customer (FF 04). As
24 such, a person with ordinary skill in the art would have recognized
25 combining Deaton with the '449 patent in order to manage products and the
26 value of products issued to customers. Therefore, the '449 patent and

Deaton are concerned with the same problem and a person with ordinary skill in the art would have been lead to combine their teachings.

The Examiner did not err in rejecting claims 15-19, 54-55, and 64-72 under the doctrine of obviousness-type double patenting.

CONCLUSIONS OF LAW

The Examiner erred in rejecting claims 15-19, 54-55, and 64-72 under 35 U.S.C. § 102(e) as being anticipated by Deaton.

The Examiner did not err in rejecting claims 15-19, 54-55, and 64-72 under the doctrine of obviousness-type double patenting.

DECISION

To summarize, our decision is as follows.

- The rejection of claims 15-19, 54-55, and 64-72 under 35 U.S.C. § 102(e) as being anticipated by Deaton is not sustained.
- The rejection of claims 15-19, 54-55, and 64-72 under the doctrine of obviousness-type double patenting is sustained.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED

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